KeySpan Energy Delivery New England
Local Distribution
Adjustment Clause

6.01 Purpose

The purpose of the Local Distribution Adjustment Clause ("LDAC") is to establish a procedure that allows Boston Gas Company, Essex Gas Company and Colonial Gas Company, all d/b/a KeySpan Energy Delivery New England ("Company"), subject to the jurisdiction of the Department of Telecommunications and Energy ("Department") to adjust, on an annual basis, its rates to recover costs associated with Transition Costs, Demand Side Management programs and related working capital, Environmental Response Costs associated with manufactured gas plants, Pension costs and Post-Retirement Benefits Other than Pensions, Exogenous Costs allowed in accordance with the terms of the rate plan approved in Eastern/Colonial Acquisition, D.T.E. 98-128 (1999), Unbundling costs associated with the Massachusetts Gas Unbundling Collaborative, Residential Assistance costs as outlined in D.T.E. 01-106-C and to credit to all core ratepayers with the Economic Benefit associated with interruptible transportation service that is not included in the base rates as determined in Boston Gas Company's, Essex Gas Company's and Colonial Gas Company's last respective rate cases, to credit Service Quality Penalties assessed in accordance with a Department approved service quality plan, and to credit, balancing penalty revenues to all firm customers.

6.02 Applicability

The LDAC applies to all tariffed throughput volumes on the Company's system, except as otherwise designated herein. See Section 6.17, "Other Rules".

6.03 Demand Side Management Costs Allowable for LDAC

All costs as defined and approved by the Department, including: (1) Demand Side Management Program and Market Transformation Costs; (2) Demand Side Management and Market Transformation Lost Margins, (3) Demand Side Management Incentives (4) Working Capital allowances for DSM costs and (5) the Reconciliation Adjustment associated with over or under recoveries of allowable DSM costs billed in prior periods.

6.04 Environmental Response Costs Allowable for LDAC

All environmental response costs associated with manufactured gas plants, adjusted for deferred tax benefits, and one half of the expenses incurred by Boston Gas Company, Essex Gas Company and Colonial Gas Company, respectively, in pursuing insurance and third party claims, less one half of the recoveries received by Boston Gas Company, Essex Gas Company and Colonial Gas Company, respectively, as a result of such claims may be included in the LDAC.

6.05 Unbundling Costs Allowable for LDAC

All costs associated with the Company's participation in the Massachusetts Gas Unbundling Collaborative, including but not limited to any legal, consulting, materials, customer education/advertising, and facilities expenses, may be included in the LDAC as approved by the Department.

6.06 Pension Costs and Post-Retirement Benefits Other Than Pensions Allowable for the LDAC

All costs associated with pensions and post-retirement benefits other than pensions ("PBOPs") and the reconciliation of pension and PBOP expense amounts included in

Boston Gas Company's distribution rates with the total expense amounts booked by Boston Gas Company pursuant to FAS 87 and FAS 106 may be included in the LDAC as approved by the Department.

6.07 FERC Order 636 Transition Costs Allowable for LDAC

All costs as defined and approved by the FERC, other than those transition costs pertaining to Account No. 191, including: (1) gas supply realignment or GSR costs; (2) stranded costs; and (3) new facilities costs, may be included in the LDAC.

6.08 Exogenous Costs Allowable for LDAC

Any individual cost change beyond the Company's control that exceeds $250,000 in a particular year, in accordance with the Rate Plan for Colonial Gas Company, approved in Eastern/Colonial Acquisition, D.T.E. 98-128, at 55-56 (1999), may be included in the LDAC as approved by the Department.

6.09 Service Quality Penalty Allowable for LDAC

Any service quality penalties assessed to Boston Gas Company, Essex Gas Company, or Colonial Gas Company pursuant to a service quality plan approved by the Department will be included in the LDAC.

6.10 Residential Assistance Adjustment Costs Allowable for LDAC

Amount of low income discount in excess of a baseline amount approved in D.T.E. 01-106-C resulting from the increased enrollment on the Company's low income discounted rates and the incremental costs related to the Company's approved Arrearage Management Program ("RAMP") as approved in D.T.E. 05-86. The baseline amount is calculated as the difference between the base rate revenues that would have been collected from customers receiving the low-income discount during the weather normalized year ending June 30, 2005, had no low-income discount existed and the actual weather normalized base rate revenues collectd from low-income customers for the twelve months ending June 30, 2005. In the event that a company's total low-income discount in a given year is below the baseline amount, no refund or any baseline amount will be due to ratepayers.

6.11 Effective Date of Local Distribution Adjustment Factor

The date on which the annual Local Distribution Adjustment Factors ("LDAF") become effective will be the first day of the annual period designated by the Company. Unless otherwise required by the Department, the Company shall submit LDAF filings as outlined in Section 6.16 of this clause at least 45 days before they are to take effect and Remediation Adjustment Clause ("RAC") filings at least 90 days before they are to take effect.

6.12 Definitions

As used herein, the terms set forth below are defined as follows:

(1) Number of Days Lag is the number of days lag to calculate the working capital requirements for LDAC allowable expenses for Boston Gas, Essex Gas, and Colonial Gas as approved by the Department.

(2) NonFirm Transportation Credit is the Economic Benefit derived from interruptible transportation not included in base rates, to be allocated to total firm throughput.

(3) Economic Benefit is the difference between the revenue from and the marginal cost determined to provide interruptible transportation.

(4) Tax Rate is the combined state and federal income tax rate.

(5) Weighted Cost of Capital is the weighted cost of capital as set in Boston Gas, Essex Gas, and Colonial Gas Company's most recent base rate case.

(6) Cost of Debt is the weighted cost of debt as set in Boston Gas, Essex Gas, and Colonial Gas Company's most recent base rate case.

(7) Cost of Equity is the weighted cost of equity as set in Boston Gas, Essex Gas, and Colonial Gas's most recent base rate case.

(8) Environmental Response Costs includes all costs of investigation, testing, remediation, litigation expenses, and other liabilities relating to manufactured gas plant sites, disposal sites, or other sites onto which material may have migrated, as a result of the operating or decommissioning of Massachusetts gas manufacturing facilities for Boston Gas, Essex Gas, and Colonial Gas.

(9) Deferred Tax Benefit is the unamortized portion of actual Environmental Response Costs for Boston Gas, Essex Gas, and Colonial Gas multiplied by the effective statutory federal and state income tax rate and by the Company's tax adjusted cost of capital as defined in Section 6.11.

(10) Expenses and recoveries associated with insurance and third-party claims shall include fifty percent of the expenses incurred and fifty percent of any net recoveries or other benefits received by Boston Gas, Essex Gas, and Colonial Gas as a result of such claims.

(11) DSM Program Costs are Demand Side Management program costs as approved by the Department.

(12) DSM Incentive Costs are incentives earned by the Company and approved by the Department.

(13) DSM Lost Margins are margins lost as a result of the implementation of DSM measures, calculated by identifying total volumes of gas saved as a result of DSM measures, times the margin that would have been earned on those volumes less any avoided costs.

(14) Annual Period Reconciliation Date for the Company will be coincident to the next annual period LDAF filing, 45 days prior to the next annual period effective date.

(15) Transition Costs are costs associated with the implementation of FERC Order 636 including (1) gas supply realignment or GSR costs, (2) stranded costs and (3) new facilities costs.

(16) Nonfirm Transportation Capacity Credits are the benefits derived from nonfirm transportation services that are not included in base rates.

(17) Unbundling Costs (UC) are all costs associated with the Company’s participation in the Massachusetts Gas Unbundling Collaborative, including but not limited to any legal, consulting, materials, customer education/advertising, and facilities expenses as approved by the Department.

(18) Balancing Penalties are penalties charged to transportation customers and third pary gas suppliers for over or under deliveries on the Company’s gas system.

(19) Pension Costs are all costs associated with Boston Gas Company's Pension Plans as determined by the SFAS-87 each year, and as approved by the Department in Boston Gas Company's most recent test-year.

(20) Post Retirement Benefits Other Than Pensions are the costs associated with PBOP as determined by SFAS-106 and as approved by the Department, and the PBOP transition obligation amortized over ten years.

(21) Pension Plan is a Qualified Pension Plan, as defined by ERISA.

(22) Post Retirement Plan Other Than Pension Plan is a Qualified PBOP, as defined by ERISA.

(23) ERISA is the Employee Information Retirement Income Security Act of 1974, as amended from time to time.

(24) Pre-Paid Amount is the difference between: (1) the actual cash contributions to the Pension Plan and the PBOP Plan and (2) the expense amounts recognized in accordance with FAS 87 and FAS 106.

(25) Prior Year is the calendar year previous to the effective date of a proposed Pension and PBOP Reconciliation Adjustment Factor.

(26) Reconciliation Deferral is the difference between: (1) the total pension and PBOP expense amounts included in Boston Gas Company's base rates; and (2) the total expense amounts booked by Boston Gas Company in the Prior Year in accordance with the requirements of FAS 87 and FAS 106.

(27) Exogenous Costs (EC) shall include any individual cost change beyond the Company's control that exceeds $250,000 in a particular year, consistent with the Rate Plan approved by the Department in D.T.E. 98-128.

(28) Service Quality Penalty (SQP) shall include any service quality penalty assessed to Boston, Essex, or Colonial Gas Companies in accordance with a Department approved service quality plan

(29) Residential Assistance Adjustment (RAA) shall include the lost base revenues associated with the increased enrollment in Boston, Essex, or Colonial Gas Companies low income discounted rates in accordance with the directives in D.T.E. 01-106-C.

6.13 Local Distribution Adjustment Factor Formulae

The Annual LDAF shall be comprised of an annual Sector Specific Demand Side Management Factor (DSMF), an annual Sector Specific Demand Side Management Working Capital Factor (DSMWCF), a Low Income Demand Side Management Factor (LIDSMF), a Low Income Demand Side Management Working Capital Factor (LIDSMWCF), a Transition Cost Factor (TCF), a NonFirm Transportation Capacity Credit (NFTF), a Balancing Penalty Credit Factor (BPCF), a Working Capital Factor for Transition Costs, Non Firm Margin Credit, an Unbundling Costs (WCFTNMU), a Remediation Adjustment Factor (RAF), an Unbunbling Cost Factor (UCF), an Exogenous Cost Factor/Lost Margin (ECLMF), a credit for Service Quality Penalties (SQP), a Residential Assistance Adjustment Factor (RAAF), and a Pension and Pension Benefits Other than Pensions Reconciliation Adjustment Factor (PRAF) calculated at the beginning of the annual season according to the following formulae:

LDAF Formula Applicable to Rate Tariffs M.D.T.E. Nos. 101-104

$$LDAF = DSMFr + DSMWCFri + LIDSMF + LIDSMWCFi + TCF + NFTF + BPCF + RAF_i + UCF + PRAF + WCFTNMUi + SQPi + RAAFi$$

LDAF Formula Applicable to Rate Tariffs M.D.T.E. Nos. 105-199

$$LDAF = DSMFc + DSMWCFci + LIDSMF + LIDSMWCFi + TCF + NFTF + BPCF + RAF_i + UCF + PRAF_x + WCFTNMUi + SQPi + RAAFi$$

LDAF Formula Applicable to Rate Tariffs M.D.T.E. Nos. 201-206

$$LDAF = DSMFr + DSMWCFrii + LIDSMF + LIDSMWCFii + TCF + NFTF + BPCF + RAF_{ii} + UCF + WCFTNMUii + SQPii + RAAFii$$

LDAF Formula Applicable to Rate Tariffs M.D.T.E. Nos. 207-299

$$LDAF = DSMFc + DSMWCFcii + LIDSMF + LIDSMWCFii + TCF + NFTF + BPCF + RAF_{ii} + UCF + WCFTNMUii + SQPii + RAAFii$$

LDAF Formula Applicable to Rate Tariffs M.D.T.E. Nos. 301-304

LDAF = DSMFr + DSMWCFriii + LIDSMF + LIDSMWCFiii + TCF+ NFTF + BPCF + RAF_{iii} + UCF + WCFTNMUiii + ECLMFriii + SQPiii-iv + RAAFiii

LDAF Formula Applicable to Rate Tariffs M.D.T.E. Nos. 305-399

LDAF = DSMFc + DSMWCFciii + LIDSMF + LIDSMWCFiii + TCF + NFTF + BPCF + RAF_{iii} + UCF + WCFTNMUiii + ECLMFciii + SQPiii-iv + RAAFiii

LDAF Formula Applicable to Rate Tariffs M.D.T.E. Nos. 401-405

LDAF = DSMFr + DSMWCFriv + LIDSMF + LIDSMWCFiv + TCF+ NFTF + BPCF + UCF + WCFTNMUiv + ECLMFriv + SQPiii-iv + RAAFiv

LDAF Formula Applicable to Rate Tariffs M.D.T.E. Nos. 406-499

LDAF = DSMFc + DSMWCFciv + LIDSMF + LIDSMWCFiv + TCF+ NFTF + BPCF + UCF + WCFTNMUiv + ECLMFciv + SQPiii-iv+ RAAFiv

<u>Residential Demand-Side Management Factor (DSMF r) Formulae</u>

$$\text{DSMFr} = \frac{\text{DSMr + DSMRAr + DSMINr}}{\text{A:TPvolr}}$$

Where:

r:	The residential sector.
DSMr:	Demand Side Management programs designed to conserve load annually in the residential sector.
DSMRAr:	Annual DSM Reconciliation Adjustment - Account 175.22 balances, inclusive of the associated interest, as outlined in Section 6.14.
DSMINr:	Demand Side Management incentives for the residential sector.
A:Tpvolr:	Annual Throughput volumes for residential sector.

Residential Demand Side Management Working Capital Factor: Applicable to Rate Tariffs M.D.T.E. Nos. 101-104

$$DSMWCFri = \frac{\dfrac{(DSMWCAri * CCi) - (DSMWCAri * CDi)}{(1 - TRi)} + (DSMWCAri * CDi) + DSMWCRri}{A{:}TPvolri}$$

and:

DSMWCAri = (DSMri) * (DLi/365)

And:

DSMri = DSMr * (A:TPvolri/A:TPvolr)

Where

DSMWCFri: Working Capital allowed per billed annual throughput volumes associated with DSM Charges allocated annually as defined in Section 6.15 for Rate Tariffs M.D.T.E. Nos. 101-104.

DSMWCAri: Charges allowable for working capital allocation as defined in Section 6.15 for Rate Tariffs M.D.T.E. Nos. 101-104.

DSMWCRri: Working Capital reconciliation adjustment associated with annual DSM charges - Account 142.22 as outlined in Section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 101-104.

DSMr: Demand Side Management programs designed to conserve load annually in the residential sector.

DSMri: Demand Side Management programs designed to conserve load annually in the residential sector Rate Tariffs Nos. M.D.T.E. Nos. 101-199.

CCi: Weighted Cost of Capital as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 101-199.

CDi: Weighted Cost of Debt as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 101-199.

TRi: Combined Tax Rate as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 101-199.

DLi: Number of Days Lag from the purchase of gas from suppliers to the payment by customers for Rate Tariffs Nos. M.D.T.E. Nos. 101-199.

A:TPvolr: Annual Throughput volumes for residential sector.

A:TPvolri: Annual Throughput volumes for residential sector for Rate Tariffs Nos. M.D.T.E. Nos. 101-104.

Residential Demand Side Management Working Capital Factor: Applicable to Rate Tariffs M.D.T.E. Nos. 201-206

$$DSMWCFrii = \frac{\frac{(DSMWCArii * CCii) - (DSMWCArii * CDii)}{(1 - TRii)} + (DSMWCArii * CDii) + DSMWCRrii}{A:TPvolrii}$$

and:

$$DSMWCArii = (DSMrii) * (DLii/365)$$

And:

$$DSMrii = DSMr * (A:TPvolrii/A:TPvolr)$$

Where

DSMWCFrii: Working Capital allowed per billed annual throughput volumes associated with DSM Charges allocated annually as defined in Section 6.15 for Rate Tariffs M.D.T.E. Nos. 201-206.

DSMWCArii: Charges allowable for working capital allocation as defined in Section 6.15 for Rate Tariffs M.D.T.E. Nos. 201-206.

DSMWCRrii: Working Capital reconciliation adjustment associated with annual DSM charges - Account 142.22 as outlined in Section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 201-206.

DSMr: Demand Side Management programs designed to conserve load annually in the residential sector.

DSMrii: Demand Side Management programs designed to conserve load annually in the residential sector Rate Tariffs Nos. M.D.T.E. Nos. 201-299.

CCii: Weighted Cost of Capital as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 201-299.

CDii: Weighted Cost of Debt as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 201-299.

TRii: Combined Tax Rate as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 201-299.

DLii: Number of Days Lag from the purchase of gas from suppliers to the payment by customers for Rate Tariffs Nos. M.D.T.E. Nos. 201-299.

A:TPvolr: Annual Throughput volumes for residential sector.

A:TPvolrii: Annual Throughput volumes for residential sector for Rate Tariffs Nos. M.D.T.E. Nos. 201-206.

<u>Residential Demand Side Management Working Capital Factor: Applicable to Rate Tariffs M.D.T.E. Nos. 301-304</u>

$$DSMWCFriii = \frac{\dfrac{(DSMWCAriii * CCiii) - (DSMWCAriii * CDiii)}{(1 - TRiii)} + (DSMWCAriii * CDiii) + DSMWCRriii}{A{:}TPvolriii}$$

and:

DSMWCAriii = (DSMriii) * (DLiii/365)

And:

DSMriii = DSMr * (A:TPvolriii/A:TPvolr)

Where

DSMWCFriii: Working Capital allowed per billed annual throughput volumes associated with DSM Charges allocated annually as defined in Section 6.15 for Rate Tariffs M.D.T.E. Nos. 301-304.

DSMWCAriii: Charges allowable for working capital allocation as defined in Section 6.15 for Rate Tariffs M.D.T.E. Nos. 301-304.

DSMWCRriii: Working Capital reconciliation adjustment associated with annual DSM charges - Account 142.22 as outlined in Section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 301-304.

DSMr: Demand Side Management programs designed to conserve load annually in the residential sector.

DSMriii: Demand Side Management programs designed to conserve load annually in the residential sector Rate Tariffs Nos. M.D.T.E. Nos. 301-399.

CCiii: Weighted Cost of Capital as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 301-399.

CDiii: Weighted Cost of Debt as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 301-399.

TRiiii: Combined Tax Rate as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 301-399.

DLiii: Number of Days Lag from the purchase of gas from suppliers to the payment by customers for Rate Tariffs Nos. M.D.T.E. Nos. 301-399.

A:TPvolr: Annual Throughput volumes for residential sector.

A:TPvolriii: Annual Throughput volumes for residential sector for Rate Tariffs Nos. M.D.T.E. Nos. 301-304.

<u>Residential Demand Side Management Working Capital Factor: Applicable to Rate Tariffs M.D.T.E. Nos. 401-405</u>

$$DSMWCFriv = \frac{\frac{(DSMWCAriv * CCiv) - (DSMWCAriv * CDiv)}{(1 - TRiv)} + (DSMWCAriv * CDiv) + DSMWCRriv}{A:TPvolriv}$$

and:

$$DSMWCAriv = (DSMriv) * (DLiv/365)$$

And:

$$DSMriv = DSMr * (A:TPvolriv/A:TPvolr)$$

Where

DSMWCFriv: Working Capital allowed per billed annual throughput volumes associated with DSM Charges allocated annually as defined in Section 6.15 for Rate Tariffs M.D.T.E. Nos. 401-405.

DSMWCAriv: Charges allowable for working capital allocation as defined in Section 6.15 for Rate Tariffs M.D.T.E. Nos. 401-405.

DSMWCRriv: Working Capital reconciliation adjustment associated with annual DSM charges - Account 142.22 as outlined in Section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 401-405.

DSMr: Demand Side Management programs designed to conserve load annually in the residential sector.

DSMriv:	Demand Side Management programs designed to conserve load annually in the residential sector Rate Tariffs Nos. M.D.T.E. Nos. 401-499.
CCiv:	Weighted Cost of Capital as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 401-499.
CDiv:	Weighted Cost of Debt as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 401-499.
TRiv:	Combined Tax Rate as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 401-499.
DLiv:	Number of Days Lag from the purchase of gas from suppliers to the payment by customers for Rate Tariffs Nos. M.D.T.E. Nos. 401-499.
A:TPvolr:	Annual Throughput volumes for residential sector.
A:TPvolriv:	Annual Throughput volumes for residential sector for Rate Tariffs Nos. M.D.T.E. Nos. 401-405.

Commercial/Industrial Demand-Side Management Factor (DSMF c) Formulae

$$DSMFc = \frac{DSMc + DSMRAc + DSMINc}{A{:}TPvolc}$$

Where:

c:	The commercial/industrial sector.
DSMc:	Demand Side Management programs designed to conserve load annually in the commercial/industrial sector.
DSMRAc:	Annual DSM Reconciliation Adjustment - Account 175.26 balances, inclusive of the associated interest, as outlined in Section 6.14.
DSMINc:	Demand Side Management incentives for the commercial/industrial sector.
A:TPvolc:	Annual Throughput volumes for commercial/industrial sector.

Commercial/Industrial Demand Side Management Working Capital Factor: Applicable to Rate Tariffs M.D.T.E. Nos. 105-114

$$DSMWCFci = \frac{\frac{(DSMWCAci * CCi) - (DSMWCAci * CDi)}{(1 - TRi)} + (DSMWCAci * CDi) + DSMWCRci}{A:TPvolci}$$

and:

DSMWCAci = (DSMci) * (DLi/365)

And:

DSMci = DSMc * (A:TPvolci/A:TPvolc)

Where

DSMWCFci: Working Capital allowed per billed annual throughput volumes associated with DSM Charges allocated annually as defined in Section 6.15 for Rate Tariffs M.D.T.E. Nos. 105-114.

DSMWCAci: Charges allowable for working capital allocation as defined in Section 6.15 for Rate Tariffs M.D.T.E. Nos. 105-114.

DSMWCRci: Working Capital reconciliation adjustment associated with annual DSM charges - Account 142.26 as outlined in Section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 105-114.

DSMc: Demand Side Management programs designed to conserve load annually in the commercial/industrial sector.

DSMci: Demand Side Management programs designed to conserve load annually in the commercial/industrial sector Rate Tariffs Nos. M.D.T.E. Nos. 105-199.

CCi: Weighted Cost of Capital as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 101-199.

CDi: Weighted Cost of Debt as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 101-199.

TRi: Combined Tax Rate as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 101-199.

DLi: Number of Days Lag from the purchase of gas from suppliers to the payment by customers for Rate Tariffs Nos. M.D.T.E. Nos. 101-199.

A:TPvolc: Annual Throughput volumes for commercial/industrial sector.

A:TPvolci: Annual Throughput volumes for commercial/industrial sector for Rate Tariffs Nos. M.D.T.E. Nos. 105-114.

Commercial/Industrial Demand Side Management Working Capital Factor: Applicable to Rate Tariffs M.D.T.E. Nos. 207-213

$$DSMWCFcii = \frac{\frac{(DSMWCAcii * CCii) - (DSMWCAcii * CDii)}{(1 - TRii)} + (DSMWCAcii * CDii) + DSMWCRcii}{A{:}TPvolcii}$$

and:

$$DSMWCAcii = (DSMcii) * (DLii/365)$$

And:

$$DSMcii = DSMc * (A{:}TPvolcii/A{:}TPvolc)$$

Where

DSMWCFcii: Working Capital allowed per billed annual throughput volumes associated with DSM Charges allocated annually as defined in Section 6.15 for Rate Tariffs M.D.T.E. Nos. 207-213.

DSMWCAcii: Charges allowable for working capital allocation as defined in Section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 207-213.

DSMWCRcii: Working Capital reconciliation adjustment associated with annual DSM charges - Account 142.26 as outlined in Section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 207-213.

DSMc: Demand Side Management programs designed to conserve load annually in the commercial/industrial sector.

DSMcii: Demand Side Management programs designed to conserve load annually in the commercial/industrial sector Rate Tariffs Nos. M.D.T.E. Nos. 207-299.

CCii: Weighted Cost of Capital as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 201-299.

CDii: Weighted Cost of Debt as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 201-299.

TRii: Combined Tax Rate as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 201-299.

DLii: Number of Days Lag from the purchase of gas from suppliers to the payment by customers for Rate Tariffs Nos. M.D.T.E. Nos. 201-299.

A:TPvolc: Annual Throughput volumes for commercial/industrial sector.

A:TPvolcii: Annual Throughput volumes for commercial/industrial sector for Rate Tariffs Nos. M.D.T.E. Nos. 207-213.

Commercial/Industrial Demand Side Management Working Capital Factor: Applicable to Rate Tariffs M.D.T.E. Nos. 305-313

$$DSMWCFciii = \frac{\dfrac{(DSMWCAciii * CCiii) - (DSMWCAciii * CDiii)}{(1 - TRiii)} + (DSMWCAciii * CDiii) + DSMWCRciii}{A{:}TPvolciii}$$

and:

$$DSMWCAciii = (DSMciii) * (DLiii/365)$$

And:

$$DSMciii = DSMc * (A{:}TPvolciii/A{:}TPvolc)$$

Where

DSMWCFciii: Working Capital allowed per billed annual throughput volumes associated with DSM Charges allocated annually as defined in Section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 305-313.

DSMWCAciii: Charges allowable for working capital allocation as defined in Section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 305-313.

DSMWCRciii: Working Capital reconciliation adjustment associated with annual DSM charges - Account 142.26 as outlined in Section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 305-313.

DSMc: Demand Side Management programs designed to conserve load annually in the commercial/industrial sector

DSMciii: Demand Side Management programs designed to conserve load annually in the commercial/industrial sector applicable to Rate Tariffs Nos. M.D.T.E. Nos. 305-399.

CCiii: Weighted Cost of Capital as defined in section 6.12 applicable to Rate Tariffs Nos. M.D.T.E. Nos. 301-399.

CDiii: Weighted Cost of Debt as defined in section 6.12 applicable to Rate Tariffs Nos. M.D.T.E. Nos. 301-399.

TRiii: Combined Tax Rate as defined in section 6.12 applicable to Rate Tariffs Nos. M.D.T.E. Nos. 301-399.

DLiii: Number of Days Lag from the purchase of gas from suppliers to the payment by customers applicable to Rate Tariffs Nos. M.D.T.E. Nos. 301-399.

A:TPvolc: Annual Throughput volumes for commercial/industrial sector.

A:TPvolciii: Annual Throughput volumes for commercial/industrial sector applicable to Rate Tariffs Nos. M.D.T.E. Nos. 305-313.

<u>Commercial/Industrial Demand Side Management Working Capital Factor: Applicable to Rate Tariffs M.D.T.E. Nos. 406-413</u>

$$\text{DSMWCFciv} = \frac{\dfrac{(\text{DSMWCAciv} * \text{CCiv}) - (\text{DSMWCAciv} * \text{CDiv})}{(1 - \text{TRiv})} + (\text{DSMWCAciv} * \text{CDiv}) + \text{DSMWCRciv}}{\text{A:TPvolciv}}$$

and:

$$\text{DSMWCAciv} = (\text{DSMciv}) * (\text{DLiv}/365)$$

And:

$$\text{DSMciv} = \text{DSMc} * (\text{A:TPvolciv}/\text{A:TPvolc})$$

Where

DSMWCFciv: Working Capital allowed per billed annual throughput volumes associated with DSM Charges allocated annually as defined in Section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 406-413.

DSMWCAciv: Charges allowable for working capital allocation as defined in Section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 406-413.

DSMWCRciv: Working Capital reconciliation adjustment associated with annual DSM charges - Account 142.26 as outlined in Section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 406-413.

DSMc: Demand Side Management programs designed to conserve load annually in the commercial/industrial sector.

DSMciv: Demand Side Management programs designed to conserve load annually in the commercial/industrial sector applicable to Rate Tariffs Nos. M.D.T.E. Nos. 406-499.

CCiv: Weighted Cost of Capital as defined in section 6.12 applicable to Rate Tariffs Nos. M.D.T.E. Nos. 401-499.

CDiv: Weighted Cost of Debt as defined in section 6.12 applicable to Rate Tariffs Nos. M.D.T.E. Nos. 401-499.

TRiv: Combined Tax Rate as defined in section 6.12 applicable to Rate Tariffs Nos. M.D.T.E. Nos. 401-499.

DLiv: Number of Days Lag from the purchase of gas from suppliers to the payment by customers applicable to Rate Tariffs Nos. M.D.T.E. Nos. 401-499.

A:TPvolc: Annual Throughput volumes for commercial/industrial sector.

A:TPvolciv: Annual Throughput volumes for commercial/industrial sector applicable to Rate Tariffs Nos. M.D.T.E. Nos. 406-413.

<u>Low Income Demand-Side Management Factor (LIDSMF) Formulae</u>

$$\text{LIDSMF} = \frac{\text{LIDSM} + \text{LIDSMRA} + \text{LIDSMIN}}{\text{A:TPvol}}$$

Where:

LIDSM: Demand Side Management programs designed to conserve load annually available to qualifying Low Income Residential Customers.

LIDSMRA: Annual LIDSM Reconciliation Adjustment - Account 175.31 balance, inclusive of the associated interest, as outlined in Section 6.14.

LIDSMIN: Demand Side Management incentives for the low income sector.

A:TPvol: Annual forecasted throughput volumes inclusive of all sales and transportation throughput.

<u>Low Income Demand-Side Management Factor Working Capital (LIDSMWCF) Formula: Applicable to Rate Tariffs M.D.T.E. Nos. 101-199</u>

$$\text{LIDSMWCFi} = \frac{\dfrac{(\text{LIDSMWCAi} * \text{CCi}) - (\text{LIDSMWCAi} * \text{CDi})}{(1 - \text{TRi})} + (\text{LIDSMWCAi} * \text{CDi}) + \text{LIDSMWCRi}}{\text{A:TPvoli}}$$

and:

LIDSMWCAi = (LIDSMi) * (DLi/365)

And:

LIDSMi = LIDSM * (A:TPvoli/A:TPvol)

Where:

LIDSM: Demand Side Management programs designed to conserve load annually available to qualifying Low Income Residential Customers.

LIDSMi: Demand Side Management programs designed to conserve load annually available to qualifying Low Income Residential Customers for Rate Tariffs Nos. M.D.T.E. Nos. 101-199.

LIDSMWCFi: Working Capital allowed per billed annual throughput volumes associated with LIDSM Charges allocated annually as defined in Section 6.15 for Rate Tariffs Nos. M.D.T.E. Nos. 101-199.

LIDSMWCAi: Charges allowable for working capital allocation as defined in Section 6.15 for Rate Tariffs Nos. M.D.T.E. Nos. 101-199.

LIDSMWCRi: Working Capital reconciliation adjustment associated with annual LIDSM charges - Account 142.22 balance as outlined in Section 6.15 for Rate Tariffs Nos. M.D.T.E. Nos. 101-199.

A:TPvol: Annual forecasted throughput volumes inclusive of all sales and transportation throughput.

A:TPvoli: Annual forecasted throughput volumes inclusive of all sales and transportation throughput for Rate Tariffs Nos. M.D.T.E. Nos. 101-199.

CCi: Weighted Cost of Capital as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 101-199.

CDi: Weighted Cost of Debt as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 101-199.

TRi: Combined Tax Rate as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 101-199.

DLi: Number of Days Lag from the purchase of gas from suppliers to the payment by customers for Rate Tariffs Nos. M.D.T.E. Nos. 101-199.

Low Income Demand-Side Management Working Capital Factor (LIDSMWCF) Formula: Applicable to Rate Tariffs M.D.T.E. Nos. 201-299

$$LIDSMWCFii = \frac{\frac{(LIDSMWCAii * CCii) - (LIDSMWCAii * CDii)}{(1 - TRii)} + (LIDSMWCAii * CDii) + LIDSMWCRii}{A:TPvolii}$$

and:

$$LIDSMWCAii = (LIDSMii) * (DLii/365)$$

And:

$$LIDSMii = LIDSM * (A:TPvolii/A:TPvol)$$

Where:

LIDSM: Demand Side Management programs designed to conserve load annually available to qualifying Low Income Residential Customers.

LIDSMii: Demand Side Management programs designed to conserve load annually available to qualifying Low Income Residential Customers for Rate Tariffs Nos. M.D.T.E. Nos. 201-299.

LIDSMWCFii: Working Capital allowed per billed annual throughput volumes associated with LIDSM Charges allocated annually as defined in Section 6.15 for Rate Tariffs Nos. M.D.T.E. Nos. 201-299.

LIDSMWCAii: Charges allowable for working capital allocation as defined in Section 6.15 for Rate Tariffs Nos. M.D.T.E. Nos. 201-299.

LIDSMWCRii: Working Capital reconciliation adjustment associated with annual LIDSM charges - Account 142.22 balance as outlined in Section 6.15 for Rate Tariffs Nos. M.D.T.E. Nos. 201-299.

A:TPvol: Annual forecasted throughput volumes inclusive of all sales and transportation throughput.

A:TPvolii: Annual forecasted throughput volumes inclusive of all sales and transportation throughput for Rate Tariffs Nos. M.D.T.E. Nos. 201-299.

CCii: Weighted Cost of Capital as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 201-299.

CDii: Weighted Cost of Debt as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 201-299.

TRii: Combined Tax Rate as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 201-299.

DLii: Number of Days Lag from the purchase of gas from suppliers to the payment by customers for Rate Tariffs Nos. M.D.T.E. Nos. 201-299.

Low Income Demand-Side Management Working Capital Factor (LIDSMWCF) Formula: Applicable to Rate Tariffs M.D.T.E. Nos. 301-399

$$LIDSMWCFiii = \frac{\frac{(LIDSMWCAiii * CCiii) - (LIDSMWCAiii * CDiii)}{(1 - TRiii)} + (LIDSMWCAiii * CDiii) + LIDSMWCRiii}{A{:}TPvoliii}$$

and:

$$LIDSMWCAiii = (LIDSMiii) * (DLiii/365)$$

And:

$$LIDSMiii = LIDSM * (A{:}TPvoliii/A{:}TPvol)$$

Where:

LIDSM: Demand Side Management programs designed to conserve load annually available to qualifying Low Income Residential Customers.

LIDSMiii: Demand Side Management programs designed to conserve load annually available to qualifying Low Income Residential Customers for Rate Tariffs Nos. M.D.T.E. Nos. 301-399.

LIDSMWCFiii: Working Capital allowed per billed annual throughput volumes associated with LIDSM Charges allocated annually as defined in Section 6.15 for Rate Tariffs Nos. M.D.T.E. Nos. 301-399.

LIDSMWCAiii: Charges allowable for working capital allocation as defined in Section 6.15 for Rate Tariffs Nos. M.D.T.E. Nos. 301-399.

LIDSMWCRiii: Working Capital reconciliation adjustment associated with annual LIDSM charges - Account 142.22 balance as outlined in Section 6.15 for Rate Tariffs Nos. M.D.T.E. Nos. 301-399.

A:TPvol: Annual forecasted throughput volumes inclusive of all sales and transportation throughput.

A:TPvoliii: Annual forecasted throughput volumes inclusive of all sales and transportation throughput for Rate Tariffs Nos. M.D.T.E. Nos. 301-399.

CCiii: Weighted Cost of Capital as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 301-399.

CDiii: Weighted Cost of Debt as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 301-399.

TRiii: Combined Tax Rate as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 301-399.

DLiii: Number of Days Lag from the purchase of gas from suppliers to the payment by customers for Rate Tariffs Nos. M.D.T.E. Nos. 301-399.

Low Income Demand-Side Management Working Capital Factor (LIDSMWCF) Formula: Applicable to Rate Tariffs M.D.T.E. Nos. 401-499

$$\text{LIDSMWCFiv} = \frac{\dfrac{(\text{LIDSMWCAiv} * \text{CCiv}) - (\text{LIDSMWCAiv} * \text{CDiv})}{(1 - \text{TRiv})} + (\text{LIDSMWCAiv} * \text{CDiv}) + \text{LIDSMWCRiv}}{\text{A:TPvoliv}}$$

and:

LIDSMWCAiv = (LIDSMiv) * (DLiv/365)

And:

LIDSMiv = LIDSM * (A:TPvoliv/A:TPvol)

Where:

LIDSM: Demand Side Management programs designed to conserve load annually available to qualifying Low Income Residential Customers.

LIDSMiv: Demand Side Management programs designed to conserve load annually available to qualifying Low Income Residential Customers for Rate Tariffs Nos. M.D.T.E. Nos. 401-499.

LIDSMWCFiv: Working Capital allowed per billed annual throughput volumes associated with LIDSM Charges allocated annually as defined in Section 6.15 for Rate Tariffs Nos. M.D.T.E. Nos. 401-499.

LIDSMWCAiv: Charges allowable for working capital allocation as defined in Section 6.15 for Rate Tariffs Nos. M.D.T.E. Nos. 401-499.

LIDSMWCRiv: Working Capital reconciliation adjustment associated with annual LIDSM charges - Account 142.22 balance as outlined in Section 6.15 for Rate Tariffs Nos. M.D.T.E. Nos. 401-499.

A:TPvol: Annual forecasted throughput volumes inclusive of all sales and transportation throughput.

A:TPvoliv: Annual forecasted throughput volumes inclusive of all sales and transportation throughput for Rate Tariffs Nos. M.D.T.E. Nos. 401-499.

CCiv: Weighted Cost of Capital as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 401-499.

CDiv: Weighted Cost of Debt as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 401-499.

TRiv: Combined Tax Rate as defined in section 6.12 for Rate Tariffs Nos. M.D.T.E. Nos. 401-499.

DLiv: Number of Days Lag from the purchase of gas from suppliers to the payment by customers for Rate Tariffs Nos. M.D.T.E. Nos. 401-499.

Transition Cost Factor (TCF)Formula

$$\text{TCF} = \frac{\text{TC} + \text{RAtc}}{\text{A:TPvol}}$$

Where:

TC: Transition costs as defined in Section 6.12.

RAtc: Transition cost reconciliation adjustment - Account 175.46 balance, inclusive of the associated Account 175.46 interest, as outlined in section 6.14

A:TPvol: Annual forecasted throughput volumes inclusive of all sales and transportation throughput.

Annual NonFirm Transportation Credit Factor (NFTF) Formula:

$$\textbf{NFTF} = \frac{\text{NFT} + \text{RAnft}}{\text{A:TPvol}}$$

Where:

NFT: Nonfirm transportation margin as defined in section 6.12.

A:TPvol: Annual forecasted throughput volumes inclusive of all sales and transportation throughput.

RAnft: Nonfirm transportation capacity credit reconciliation adjustment - Account 175.42 balance, inclusive of the associated Account 175.42 interest, as outlined in section 6.14.

Annual Balancing Penalty Credit Factor (BPCF) Formula:

$$\mathbf{BPCF} = \frac{BPR}{A:TPvol}$$

Where:

BPR: Balancing Penalty Revenues as defined in section 6.12.

A:TPvol: Annual forecasted throughput volumes inclusive of all sales and transportation throughput.

Unbundling Costs Factor (UCF) Formula:

$$\mathbf{UCF} = \frac{\mathbf{UC + RAuc}}{\mathbf{A:TPvol}}$$

Where:

UC: Unbundling costs as defined in Section 6.12.

RAuc Unbundling cost reconciliation adjustment - Account 175.66 balance, inclusive of the associated Account 175.66 interest, as outlined in section 6.14.

A:TPvol Annual forecasted throughput volumes inclusive of all sales and transportation throughput.

Working Capital Factor for Transition, Non Firm Margin Credit, and Unbundling, (WCFTNMU Formula: Applicable to Rate Tariffs M.D.T.E. Nos. 101-199

$$WCFTNMUi = \frac{\dfrac{(WCATNMUi * CCi) - (WCATNMUi * CDi)}{(1 - TRi)} + (WCATNMUi * CDi) + WCRTNMUi}{A{:}TPvoli}$$

and:

$$WCATNMUi = (TCi + NFTi + UCi) * (DLi/365)$$

and:

$$TCi = TC * (A{:}TPvoli / A{:}TPvol)$$

and:

$$NFTi = NFT * (A{:}TPvoli / A{:}TPvol)$$

and:

$$UCi = UC * (A{:}TPvoli / A{:}TPvol)$$

Where:

TC: Transition costs as defined in Section 6.12.

NFT: Nonfirm transportation margin as defined in section 6.12.

UC: Unbundling costs as defined in Section 6.12.

TCi: Transition costs as defined in Section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 101-199.

NFTi: Nonfirm transportation margin as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 101-199.

UCi: Unbundling costs as defined in Section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 101-199.

A:TPvol: Annual forecasted throughput volumes inclusive of all sales and transportation throughput.

A:TPvoli: Annual forecasted throughput volumes inclusive of all sales and transportation throughput applicable to Rate Tariffs M.D.T.E. Nos. 101-199.

WCFTNMUi: Per unit working capital allowable per billed annual throughput volume as defined in section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 101-199.

WCATNMUi: Transition costs, non firm margin credit, and unbundling costs allowable for working capital application as defined in section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 101-199.

WCRTNMUi: Working capital reconciliation adjustment associated with transition cost, non firm margin credit, and unbundling costs charges - Account 142.42 balance as outlined in section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 101-199.

CCi: Weighted Cost of Capital as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 101-199.

CDi: Weighted Cost of Debt as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 101-199.

TRi: Combined Tax Rate as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 101-199.

DLi: Number of Days Lag from the purchase of gas from suppliers to the payment by customers applicable to Rate Tariffs M.D.T.E. Nos. 101-199.

Working Capital Factor for Transition, Non Firm Margin Credit, and Unbundling, (WCFTNMU Formula: Applicable to Rate Tariffs M.D.T.E. Nos. 201-299

$$\text{WCFTNMUii} = \frac{\dfrac{(\text{WCATNMUii} * \text{CCii}) - (\text{WCATNMUii} * \text{CDii})}{(1 - \text{TRii})} + (\text{WCATNMUii} * \text{CDii}) + \text{WCRTNMUii}}{\text{A:TPvolii}}$$

and:

$$\text{WCATNMUii} = (\text{TCii} + \text{NFTii} + \text{UCii}) * (\text{DLii}/365)$$

and:

$$\text{TCii} = \text{TC} * (\text{A:TPvolii} / \text{A:TPvol})$$

and:

$$\text{NFTii} = \text{NFT} * (\text{A:TPvolii} / \text{A:TPvol})$$

and:

UCii = UC * (A:TPvolii / A:TPvol)

Where:

TC: Transition costs as defined in Section 6.12.

NFT: Nonfirm transportation margin as defined in section 6.12.

UC: Unbundling costs as defined in Section 6.12.

TCii: Transition costs as defined in Section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 201-299.

NFTii: Nonfirm transportation margin as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 201-299.

UCii: Unbundling costs as defined in Section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 201-299.

A:TPvol: Annual forecasted throughput volumes inclusive of all sales and transportation throughput.

A:TPvolii: Annual forecasted throughput volumes inclusive of all sales and transportation throughput applicable to Rate Tariffs M.D.T.E. Nos. 201-299.

WCFTNMUii:Per unit working capital allowable per billed annual throughput volume as defined in section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 201-299.

WCATNMUii:Transition costs, non firm margin credit, and unbundling costs allowable for working capital application as defined in section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 201-299.

WCRTNMUii:Working capital reconciliation adjustment associated with transition cost, non firm margin credit, and unbundling costs charges - Account 142.42 balance as outlined in section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 201-299.

CCii: Weighted Cost of Capital as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 201-299.

CDii: Weighted Cost of Debt as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 201-299.

TRii: Combined Tax Rate as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 201-299.

DLii: Number of Days Lag from the purchase of gas from suppliers to the payment by customers applicable to Rate Tariffs M.D.T.E. Nos. 201-299.

Working Capital Factor for Transition, Non Firm Margin Credit, and Unbundling, (WCFTNMU Formula: Applicable to Rate Tariffs M.D.T.E. Nos. 301-399

$$WCFTNMUiii = \frac{\frac{(WCATNMUiii * CCiii) - (WCATNMUiii * CDiii)}{(1 - TRiii)} + (WCATNMUiii * CDiii) + WCRTNMUiii}{A{:}TPvoliii}$$

and:

WCATNMUiii = (TCiii + NFTiii+UCiii) * (DLiii/365)

and:

TCiii = TC * (A:TPvoliii / A:TPvol)

and:

NFTiii = NFT * (A:TPvoliii / A:TPvol)

and:

UCiii = UC * (A:TPvoliii / A:TPvol)

Where:

TC: Transition costs as defined in Section 6.12.

NFT: Nonfirm transportation margin as defined in section 6.12.

UC: Unbundling costs as defined in Section 6.12.

TCiii: Transition costs as defined in Section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 301-399.

NFTiii: Nonfirm transportation margin as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 301-399.

UCiii: Unbundling costs as defined in Section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 301-399.

A:TPvol: Annual forecasted throughput volumes inclusive of all sales and transportation throughput.

A:TPvoliii: Annual forecasted throughput volumes inclusive of all sales and transportation throughput applicable to Rate Tariffs M.D.T.E. Nos. 301-399.

WCFTNMUiii: Per unit working capital allowable per billed annual throughput volume as defined in section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 301-399.

WCATNMUiii: Transition costs, non firm margin credit, and unbundling costs allowable for working capital application as defined in section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 301-399.

WCRTNMUiii: Working capital reconciliation adjustment associated with transition cost, non firm margin credit, and unbundling costs charges - Account 142.42 balance as outlined in section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 301-399.

CCiii: Weighted Cost of Capital as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 301-399.

CDiii: Weighted Cost of Debt as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 301-399.

TRiii: Combined Tax Rate as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 301-399.

DLiii: Number of Days Lag from the purchase of gas from suppliers to the payment by customers applicable to Rate Tariffs M.D.T.E. Nos. 301-399.

Working Capital Factor for Transition, Non Firm Margin Credit, and Unbundling, (WCFTNMU Formula: Applicable to Rate Tariffs M.D.T.E. Nos. 401-499

$$WCFTNMUiv = \frac{\dfrac{(WCATNMUiv * CCiv) - (WCATNMUiv * CDiv)}{(1 - TRiv)} + (WCATNMUiv * CDiv) + WCRTNMUiv}{A:TPvoliv}$$

and:

$$WCATNMUiv = (TCiv + NFTiv + UCiv) * (DLiv/365)$$

and:

$$TCiv = TC * (A:TPvoliv / A:TPvol)$$

and:

$$NFTiv = NFT * (A:TPvoliv / A:TPvol)$$

and:

UCiv = UC * (A:TPvoliv / A:TPvol)

Where:

TC: Transition costs as defined in Section 6.12.

NFT: Nonfirm transportation margin as defined in section 6.12.

UC: Unbundling costs as defined in Section 6.12.

TCiv: Transition costs as defined in Section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 401-499.

NFTiv: Nonfirm transportation margin as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 401-499.

UCiv: Unbundling costs as defined in Section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 401-499.

A:TPvol: Annual forecasted throughput volumes inclusive of all sales and transportation throughput.

A:TPvoliv: Annual forecasted throughput volumes inclusive of all sales and transportation throughput applicable to Rate Tariffs M.D.T.E. Nos. 401-499.

WCFTNMUiv: Per unit working capital allowable per billed annual throughput volume as defined in section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 401-499.

WCATNMUiv: Transition costs, non firm margin credit, and unbundling costs allowable for working capital application as defined in section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 401-499.

WCRTNMUiv: Working capital reconciliation adjustment associated with transition cost, non firm margin credit, and unbundling costs charges - Account 142.42 balance as outlined in section 6.15 applicable to Rate Tariffs M.D.T.E. Nos. 401-499.

CCiv: Weighted Cost of Capital as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 401-499.

CDiv: Weighted Cost of Debt as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 401-499.

TRiv: Combined Tax Rate as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 401-499.

DLiv: Number of Days Lag from the purchase of gas from suppliers to the payment by customers applicable to Rate Tariffs M.D.T.E. Nos. 401-499.

Remediation Adjustment Factor (RAF) Formula: Applicable to Rate Tariffs M.D.T.E. Nos. 101-199

$$RAF_i = \frac{sum(ERCi/7) - DTBi + ((I.Ei. - IRi) * .5) + Rraci}{A:TPvoli}$$

and:

$$DTBi = UERCi * TRi * (CDi + (CEi / (1 - TRi)))$$

Where:

RAFi: Remediation adjustment factor for Rate Tariffs M.D.T.E. Nos. 101-199

ERCi: Environmental response costs as defined in Section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 101-199 .

UERCi: Unamortized environmental response costs applicable to Rate Tariffs M.D.T.E. Nos. 101-199 .

DTBi: Deferred tax benefit associated with environmental response costs as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 101-199 .

I.Ei.: Expenses associated with pursuit of insurance carriers and third-parties as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 101-199 .

IRi: Insurance carrier and third-party recoveries as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 101-199 .

Rraci: Remediation Adjustment Clause reconciliation adjustment - Account 175.9 balance as outlined in Section 6.14 applicable to Rate Tariffs M.D.T.E. Nos. 101-199 .

A:TPvoli: Annual forecasted billed through-put volumes inclusive of sales and transportation applicable to Rate Tariffs M.D.T.E. Nos. 101-199 .

CEi: Weighted Cost of Equity as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 101-199.

CDi: Weighted Cost of Debt as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 101-199.

TRi: Combined Tax Rate as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 101-199.

Remediation Adjustment Factor (RAF) Formula: Applicable to Rate Tariffs M.D.T.E. Nos. 201-299

$$RAF_{ii} = \frac{sum(ERCii/7) - DTBii + ((I.Eii. - IRii) * .5) + Rracii}{A:TPvolii}$$

and:

DTBii = UERCii * TRii * (CDii + (CEii / (1 - TRii)))

Where:

RAFii: Remediation adjustment factor for Rate Tariffs M.D.T.E. Nos. 201-299

ERCii: Environmental response costs as defined in Section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 201-299 .

UERCii: Unamortized environmental response costs applicable to Rate Tariffs M.D.T.E. Nos. 201-299 .

DTBii: Deferred tax benefit associated with environmental response costs as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 201-299 .

I.Eii.: Expenses associated with pursuit of insurance carriers and third-parties as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 201-299 .

IRii: Insurance carrier and third-party recoveries as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 201-299 .

Rracii: Remediation Adjustment Clause reconciliation adjustment - Account 175.9 balance as outlined in Section 6.14 applicable to Rate Tariffs M.D.T.E. Nos. 201-299 .

A:TPvolii: Annual forecasted billed through-put volumes inclusive of sales and transportation applicable to Rate Tariffs M.D.T.E. Nos. 201-299 .

CEii: Weighted Cost of Equity as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 201-299.

CDii: Weighted Cost of Debt as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 201-299.

TRii: Combined Tax Rate as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 201-299.

Remediation Adjustment Factor (RAF) Formula: Applicable to Rate Tariffs M.D.T.E. Nos. 301-399

$$RAF_{iii} = \frac{\text{sum(ERCiii/7) - DTBiii + ((I.Eiii. - IRiii) * .5) + Rraciii}}{\text{A:TPvoliii}}$$

and:

DTBiii = UERCiii * TRiii * (CDiii + (CEiii / (1 - TRiii)))

Where:

RAFiii: Remediation adjustment factor for Rate Tariffs M.D.T.E. Nos. 301-399

ERCiii: Environmental response costs as defined in Section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 301-399 .

UERCiii: Unamortized environmental response costs applicable to Rate Tariffs M.D.T.E. Nos. 301-399 .

DTBiii: Deferred tax benefit associated with environmental response costs as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 301-399 .

I.Eiii.: Expenses associated with pursuit of insurance carriers and third-parties as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 301-399 .

IRiii: Insurance carrier and third-party recoveries as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 301-399 .

Rraciii: Remediation Adjustment Clause reconciliation adjustment - Account 175.9 balance as outlined in Section 6.14 applicable to Rate Tariffs M.D.T.E. Nos. 301-399 .

A:TPvoliii: Annual forecasted billed through-put volumes inclusive of sales and transportation applicable to Rate Tariffs M.D.T.E. Nos. 301-399 .

CEiii: Weighted Cost of Equity as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 301-399.

CDiii: Weighted Cost of Debt as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 301-399.

TRiii: Combined Tax Rate as defined in section 6.12 applicable to Rate Tariffs M.D.T.E. Nos. 301-399

Pension and Post-Retirement Benefits Other than Pensions Reconciliation Adjustment Factor (PRAF) Formula: Applicable to Rate Tariffs M.D.T.E. Nos. 101-199

$$PRAF_x = \frac{(PEXP + PBOBEXP + RA_x + cc(URD_x + APPA_x - DTA_x) + PPRA_x)}{A{:}TPvol}$$

Where:

PRAF = The annual Pension/PBOP Reconciliation Adjustment Factor.

PEXP = The amount of Pension Expense to be recovered through the LDAC as allowed by the Department in Boston Gas Company’s most recent rate case.

PBOPEXP = The amount of PBOP Expense to be recovered through the LDAC as allowed by the Department in Boston Gas Company's most recent rate case.

RA_x = The Reconciliation Adjustment for $Year_x$ is one-third of the Unamortized Reconciliation Deferral at the end of the Prior Year.

cc = The Cost of Capital is the tax-effected weighted-average cost of capital as defined in Section 6.12 Tariffs M.D.T.E. Nos. 101-199.

URD_x = The Unamortized Reconciliation Deferral is the amount of the Reconciliation Deferral not yet included in distribution rates. At the beginning of $Year_x$ the Unamortized Reconciliation Deferral is the sum of: (1) the Unamortized Reconciliation Deferral at the beginning of the Prior Year; plus (2) the Reconciliation Deferral for the Prior Year; minus (3) the Reconciliation Adjustment for the Prior Year.

$APPA_x$ = The Average Pre-Paid Amount, for $Year_x$ is one half of the sum of: (1) the Pre-Paid Amount recorded on Boston Gas Company's books as of the beginning of the Prior Year; and (2) the Pre-Paid Amount recorded on Boston GasCompany's books as of the end of the Prior Year.

DTA_x = The Deferred Tax Amount is the deferred taxes associated with the Pre-Paid Amount and the URD at the end of the Prior Year.

$PPRA_x$ = The Past Period Reconciliation Amount is (a) the difference between: (1) the amount of PRAF revenue that should have been collected in the Prior Year; and (2) the amount of PRAF revenue actually received by Boston Gas Company in the Prior Year and (b) the amount computed in the clause (a) times the prime rate computed in accordance with 220 C.M.R.6.08(2).

A:TPvol = Annual forecasted throughput volumes inclusive of all sales and transportation throughput.

x = The current year.

Residential Exogenous Cost / Lost Margin Factor (ECLMF) : Applicable to Rate Tariffs M.D.T.E. Nos. 301-304

$$ECLMFriii = \frac{ECriii + LMriii + ECLMRAriii}{A{:}TPvolriii}$$

Where:

ECriii: Exogenous costs for the residential sector applicable to M.D.T.E. Nos. 301-304

LMriii: Lost Margins for the residential sector applicable to M.D.T.E. Nos. 301-304

ECLMRAriii: Annual Exogenous Cost/Lost Margin Reconciliation Adjustment - Account 175.34, inclusive of the associated interest, as outlined in Section 6.15 applicable to M.D.T.E. Nos. 301-304

A:TPvolriii: Annual forecasted throughput volumes inclusive of all residential sales and transportation throughput applicable to M.D.T.E. Nos. 301-304.

Commercial Exogenous Cost / Lost Margin Factor (ECLMF) : Applicable to Rate Tariffs M.D.T.E. Nos. 305-399

$$\text{ECLMFciii} = \frac{\text{ECciii} + \text{LMciii} + \text{ECLMRAciii}}{\text{A:TPvolciii}}$$

Where:

ECciii: Exogenous costs for the commercial/industrial sector applicable to M.D.T.E. Nos. 305-399

LMciii: Lost Margins for the commercial/industrial sector applicable to M.D.T.E. Nos. 305-399

ECLMRAciii: Annual Exogenous Cost/Lost Margin Reconciliation Adjustment - Account 175.36, inclusive of the associated interest, as outlined in Section 6.15 applicable to M.D.T.E. Nos. 305-399

A:TPvolciii: Annual forecasted throughput volumes inclusive of all commercial/industrial sales and transportation throughput applicable to M.D.T.E. Nos. 305-399.

Residential Exogenous Cost / Lost Margin Factor (ECLMF) : Applicable to Rate Tariffs M.D.T.E. Nos. 401-405

$$\text{ECLMFriv} = \frac{\text{ECriv} + \text{LMriv} + \text{ECLMRAriv}}{\text{A:TPvolriv}}$$

Where:

ECriv: Exogenous costs for the residential sector applicable to M.D.T.E. Nos. 401-405

LMriv: Lost Margins for the residential sector applicable to M.D.T.E. Nos. 401-405

ECLMRAriv: Annual Exogenous Cost/Lost Margin Reconciliation Adjustment - Account 175.34, inclusive of the associated interest, as outlined in Section 6.15 applicable to M.D.T.E. Nos. 401-405

A:TPvolriv: Annual forecasted throughput volumes inclusive of all residential sales and transportation throughput applicable to M.D.T.E. Nos. 401-405.

Commercial Exogenous Cost / Lost Margin Factor (ECLMF) : Applicable to Rate Tariffs M.D.T.E. Nos. 406-499

$$ECLMFciv = \frac{ECciv + LMciv + ECLMRAciv}{A:TPvolciv}$$

Where:

ECciv: Exogenous costs for the commercial/industrial sector applicable to M.D.T.E. Nos. 406-499

LMciv: Lost Margins for the commercial/industrial sector applicable to M.D.T.E. Nos. 406-499

ECLMRAciv: Annual Exogenous Cost/Lost Margin Reconciliation Adjustment - Account 175.36, inclusive of the associated interest, as outlined in Section 6.15 applicable to M.D.T.E. Nos. 406-499

A:TPvolciv: Annual forecasted throughput volumes inclusive of all commercial/industrial sales and transportation throughput applicable to M.D.T.E. Nos. 406-499.

Annual Service Quality Penalty Factor (SQPF) Formula : Applicable to Rate Tariffs M.D.T.E. Nos. 101-199

$$\mathbf{SQPFi} = \frac{SQPi + SQPRAi}{A:TPvoli}$$

Where:

SQPi: Service Quality Penalty as defined in section 6.12 applicable to M.D.T.E. Nos.101-199.

A:TPvoli: Annual forecasted throughput volumes inclusive of all sales and transportation throughput applicable to M.D.T.E. Nos.101-199.

SQPRAi: Annual Service Quality Penalty Reconciliation Adjustment - Account 175.38, inclusive of the associated interest, as outlined in Section 6.15 applicable to M.D.T.E. Nos. 101-199.

Annual Service Quality Penalty Factor (SQPF) Formula : Applicable to Rate Tariffs M.D.T.E. Nos. 201-299

$$\textbf{SQPFii} = \frac{\text{SQPii} + \text{SQPRAii}}{\text{A:TPvolii}}$$

Where:

SQPii: Service Quality Penalty as defined in section 6.12 applicable to M.D.T.E. Nos.201-299.

A:TPvolii: Annual forecasted throughput volumes inclusive of all sales and transportation throughput applicable to M.D.T.E. Nos.201-299.

SQPRAii: Annual Service Quality Penalty Reconciliation Adjustment - Account 175.38, inclusive of the associated interest, as outlined in Section 6.15 applicable to M.D.T.E. Nos. 201-299.

Annual Service Quality Penalty Factor (SQPF) Formula : Applicable to Rate Tariffs M.D.T.E. Nos. 301-499

$$\text{SQPFiii-iv} = \frac{\text{SQPiii} + \text{SQPRAiii-iv}}{\text{A:TPvoliii-iv}}$$

Where:

SQPiii-iv: Service Quality Penalty as defined in section 6.12 applicable to M.D.T.E. Nos.301-399.

A:TPvoliii-iv: Annual forecasted throughput volumes inclusive of all sales and transportation throughput applicable to M.D.T.E. Nos.301-499.

SQPRAiii-iv: Annual Service Quality Penalty Reconciliation Adjustment - Account 175.38, inclusive of the associated interest, as outlined in Section 6.15 applicable to M.D.T.E. Nos. 301-499.

Residential Assistance Adjustment Factor (RAAF) Formula: Applicable to Rate Tariffs M.D.T.E. Nos. 101-199

If :

Basei < (CustNHi(DcustNH$i)+CustNHi(AvgUseNHi)(DUse$NHi) + (CustHi(DcustH$i) + CustHi(Avg UseHi)(DUse$Hi))

Then:

RAAF_i = (CustNHi(DcustNH$i)+CustNHi(AvgUseNHi) (DUse$NHi))/A:TPvoli +(CustHi(DcustH$i) +CustHi(Avg UseHi)(DUse$Hi))/A:TPvoli - (Basei/A:TPvoli)+ (RAi/A:TPvoli) + (RAMPi/A: TPvoli)

Else:

RAAF_i = (RAi/A:TPvoli) + (RAMPi/A:TPvoli)

Where:

RAAFi:	Residential Assistance adjustment factor for Rate Tariffs M.D.T.E. Nos. 101-199
RAi:	Residential Assistance Adjustment Clause reconciliation adjustment - Account 175.39 balance as outlined in Section 6.14 applicable to Rate Tariffs M.D.T.E. Nos. 101-199
CustNHi	The projected number of customers for the forecasted period on the Company's Residential Assistance Rate M.D.T.E. No. 102
CustHi	The projected number of customers for the forecasted period on the Company's Residential Assistance Rate M.D.T.E. No. 104.
DcustNH$i	The difference between the non discounted and discounted customer charge for the applicable non heating rate classes.
DcustH$i	The difference between the non discounted and discounted customer charge for the applicable heating rate classes.
AvgUseNHi	The projected therm usage per customer for the forecast period under the Company's Residential Assistance Rate M.D.T.E. No. 102.
AvgUseHi	The projected therm usage per customer for the forecast period under the Company's Residential Assistance Rate M.D.T.E. No. 104.
DUseNH$i	The difference between the non discounted and discounted energy charge therm usage for the applicable non heating rate classes.

DUseH$i The difference between the non discounted and discounted energy charge therm usage for the applicable heating rate classes.

Basei The amount of low income discount that is collected through the base rates for the weather normalized twelve month period ending June 30, 2005. The baseline amount shall be calculated as the difference between the base rate revenues that would have been collected from customers receiving the low-income discount during the weather normalized year ending June 30, 2005 had no low-income discount existed and the actual weather normalized base rate revenues from low-income customers for the twelve months ending June 30, 2005.

RAMPi: Incremental expense associated with the Arrearage Management Program approved in D.T.E. 05-86.

A:TPvoli: Annual forecasted billed through-put volumes inclusive of sales and transportation applicable to Rate Tariffs M.D.T.E. Nos. 101-199 .

<u>Residential Assistance Adjustment Factor (RAAF) Formula: Applicable to Rate Tariffs M.D.T.E. Nos. 201-299</u>

If :

Baseii < (CustNHii(DcustNH$ii)+CustNHii(AvgUseNHii)(DUse$NHii) + (CustHii(DcustH$ii) + CustHii(Avg UseHii)(DUse$Hii))

<u>Then:</u>

RAAF_{ii} = (CustNHii(DcustNH$ii)+CustNHii(AvgUseNHii) (DUse$NHii))/A:TPvolii +(CustHii(DcustH$ii) +CustHii(Avg UseHii)(DUse$Hii))/A:TPvolii - (Baseii/A:TPvolii)+ (RAii/A:TPvolii) + (RAMPii/A:TPvolii)

Else:

RAAF_{ii} = (RAii/A:TPvolii) + (RAMPii/A:TPvolii)

Where:

RAAFii:	Residential Assistance adjustment factor for Rate Tariffs M.D.T.E. Nos. 201-299
RAii:	Residential Assistance Adjustment Clause reconciliation adjustment - Account 175.39 balance as outlined in Section 6.14 applicable to Rate Tariffs M.D.T.E. Nos. 201-299.
CustNHii	The projected number of customers for the forecasted period on the Company's Residential Assistance Rate M.D.T.E. No. 202
CustHii	The projected number of customers for the forecasted period on the Company's Residential Assistance Rate M.D.T.E. No. 204.
DcustNH$ii	The difference between the non discounted and discounted customer charge for the applicable non heating rate classes.
DcustH$ii	The difference between the non discounted and discounted customer charge for the applicable heating rate classes.
AvgUseNHii	The projected therm usage per customer for the forecast period under the Company's Residential Assistance Rate M.D.T.E. No. 202.
AvgUseHii	The projected therm usage per customer for the forecast period under the Company's Residential Assistance Rate M.D.T.E. No. 204.
DUseNH$ii	The difference between the non discounted and discounted energy charge therm usage for the applicable non heating rate classes.
DUseH$ii	The difference between the non discounted and discounted energy charge therm usage for the applicable heating rate classes.
Baseii	The amount of low income discount that is collected through the base rates for the weather normalized twelve month period ending June 30, 2005. The baseline amount shall be calculated as the difference between the base rate revenues that would have been collected from customers receiving the low-income discount during the weather normalized year ending June 30, 2005 had no low-income discount existed and the actual weather normalized base rate revenues from low-income customers for the twelve months ending June 30, 2005.
RAMPii:	Incremental expense associated with the Arrearage Management Program approved in D.T.E. 05-86.
A:TPvolii:	Annual forecasted billed through-put volumes inclusive of sales and transportation applicable to Rate Tariffs M.D.T.E. Nos. 201-299.

Residential Assistance Adjustment Factor (RAAF) Formula: Applicable to Rate Tariffs M.D.T.E. Nos. 301-399.

If :

Baseiii < (CustNHiii(DcustNH$iii)+CustNHiii(AvgUseNHiii)(DUse$NHiii) +
(CustHiii(DcustH$iii) + CustHiii(Avg UseHiii)(DUse$Hiii))

Then:

RAAF_{iii} = (CustNHiii(DcustNH$iii)+CustNHiii(AvgUseNHiii) (DUse$NHiii))/A:TPvoliii
+(CustHiii(DcustH$iii) +CustHiii(Avg UseHiii)(DUse$Hiii))/A:TPvoliii -
(Baseiii/A:TPvoliii)+ (RAiii/A:TPvoliii)+ (RAMPiii/A:TPvoliii)

Else:

RAAF_{iii} = (RAiii/A:TPvoliii) + (RAMPiii/A:TPvoliii)

Where:

RAAFiii:	Residential Assistance adjustment factor for Rate Tariffs M.D.T.E. Nos. 301-399.
RAiii:	Residential Assistance Adjustment Clause reconciliation adjustment - Account 175.39 balance as outlined in Section 6.14 applicable to Rate Tariffs M.D.T.E. Nos. 301-399.
CustNHiii	The projected number of customers for the forecasted period on the Company's Residential Assistance Rate M.D.T.E. No. 302.
CustHiii	The projected number of customers for the forecasted period on the Company's Residential Assistance Rate M.D.T.E. No. 304.
DcustNH$iii	The difference between the non discounted and discounted customer charge for the applicable non heating rate classes.
DcustH$iii	The difference between the non discounted and discounted customer charge for the applicable heating rate classes.
AvgUseNHiii	The projected therm usage per customer for the forecast period under the Company's Residential Assistance Rate M.D.T.E. No. 302.
AvgUseHiii	The projected therm usage per customer for the forecast period under the Company's Residential Assistance Rate M.D.T.E. No. 304.
DUseNH$iii	The difference between the non discounted and discounted energy charge therm usage for the applicable non heating rate classes.

DUseH$iii The difference between the non discounted and discounted energy charge therm usage for the applicable heating rate classes.

Baseiii The amount of low income discount that is collected through the base rates for the weather normalized twelve month period ending June 30, 2005. The baseline amount shall be calculated as the difference between the base rate revenues that would have been collected from customers receiving the low-income discount during the weather normalized year ending June 30, 2005 had no low-income discount existed and the actual weather normalized base rate revenues from low-income customers for the twelve months ending June 30, 2005.

RAMPiii: Incremental expense associated with the Arrearage Management Program approved in D.T.E. 05-86.

A:TPvoliii: Annual forecasted billed through-put volumes inclusive of sales and transportation applicable to Rate Tariffs M.D.T.E. Nos. 301-399.

<u>Residential Assistance Adjustment Factor (RAAF) Formula: Applicable to Rate Tariffs M.D.T.E. Nos. 401-499.</u>

If :

Baseiv < (CustNHiv(DcustNH$iv)+CustNHiv(AvgUseNHiv)(DUse$NHiv) + (CustHiv(DcustH$iv) + CustHiv(Avg UseHiv)(DUse$Hiv))

<u>Then:</u>

RAAF_{iv} = (CustNHiv(DcustNH$iv)+CustNHiv(AvgUseNHiv) (DUse$NHiv))/A:TPvoliv +(CustHiv(DcustH$iv) +CustHiv(Avg UseHiv)(DUse$Hiv))/A:TPvoliv - (Baseiv/A:TPvoliv)+ (RAiv/A:TPvoliv)+ (RAMPiv/A:TPvoliv)

Else:

RAAF_{iv} = (RAiv/A:TPvoliv) + (RAMPiv/A:TPvoliv)

Where:

RAAFiv:	Residential Assistance adjustment factor for Rate Tariffs M.D.T.E. Nos. 401-499.
RAiv:	Residential Assistance Adjustment Clause reconciliation adjustment - Account 175.39 balance as outlined in Section 6.14 applicable to Rate Tariffs M.D.T.E. Nos. 401-499.
CustNHiv	The projected number of customers for the forecasted period on the Company's Residential Assistance Rate M.D.T.E. No. 402.
CustHiv	The projected number of customers for the forecasted period on the Company's Residential Assistance Rate M.D.T.E. No. 404.
DcustNH$iv	The difference between the non discounted and discounted customer charge for the applicable non heating rate classes.
DcustH$iv	The difference between the non discounted and discounted customer charge for the applicable heating rate classes.
AvgUseNHiv	The projected therm usage per customer for the forecast period under the Company's Residential Assistance Rate M.D.T.E. No. 402.
AvgUseHiv	The projected therm usage per customer for the forecast period under the Company's Residential Assistance Rate M.D.T.E. No. 404.
DUseNH$iv	The difference between the non discounted and discounted energy charge therm usage for the applicable non heating rate classes.
DUseH$iv	The difference between the non discounted and discounted energy charge therm usage for the applicable heating rate classes.
Baseiv	The amount of low income discount that is collected through the base rates for the weather normalized twelve month period ending June 30, 2005. The baseline amount shall be calculated as the difference between the base rate revenues that would have been collected from customers receiving the low-income discount during the weather normalized year ending June 30, 2005 had no low-income discount existed and the actual weather normalized base rate revenues from low-income customers for the twelve months ending June 30, 2005.
RAMPiv:	Incremental expense associated with the Arrearage Management Program approved in D.T.E. 05-86.
A:TPvoliv:	Annual forecasted billed through-put volumes inclusive of sales and transportation applicable to Rate Tariffs M.D.T.E. Nos. 401-499.

6.14 Reconciliation Adjustments – Accounts 175

(1) The following definitions pertain to reconciliation adjustment calculations:

(a) Demand Side Management Costs Allowable Per Annual Residential DSM Formula shall be:
- i. Charges associated with Residential DSM programs designed to reduce annual load for each sector (DSMi).
- ii. Incentives associated with Residential DSM programs (DSMINi).
- iiii. Account 175.22 - Annual Residential DSM interest charges.

(b) Demand Side Management Costs Allowable Per Annual Commercial and Industrial DSM Formula shall be:
- i. Charges associated with C&I DSM programs designed to reduce annual load for each sector (DSMi).
- ii. Incentives associated with C&I DSM programs (DSMINi).
- iii. Account 175.26 – Annual C&I DSM interest charges.

(c) Demand Side Management Costs Allowable Per Annual Low Income DSM Formula shall be:
- i. Charges associated with Low Income DSM programs designed to reduce annual load (LIDSM).
- iii Incentives associated with Low Income DSM programs (LIDSMIN).
- iiii. Account 175.31 - Annual Low Income DSM interest charges.

(d) Transition Costs Allowable shall be:
- i. The costs as defined and approved by the FERC, including (1) gas supply realignment or GSR costs; (2) stranded costs, and; (3) new facilities costs (TC).
- ii. Account 175.46 – Annual Transition Costs interest charges

(e) Unbundling Costs Allowable Per Annual Unbundling Formula shall be:
- i. Costs associated with the Massachusetts Unbundling Collaborative.
- ii. Account 175.66 - Annual Unbundling Costs interest charges.

(f) Nonfirm Transportation Capacity Credits Allowable Per Annual Nonfirm Transportation Formula shall be:
- i. Credits associated with nonfirm transportation capacity credits not included in base rates.
- ii. Account 175.42 - Annual Nonfirm transportation capacity credit interest charges.

(g) Remediation Adjustment Clause Expenses Allowable shall be:

i. One seventh of each calendar year's environmental response costs (ERC) as defined in section 6.12, less the deferred tax benefit (DTB) as defined in section 6.12.

ii. One-half of insurance and third-party expenses (I.E.), less one-half of insurance and third-party recoveries.

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(h) Pension Adjustment Clause Expences Allowable Shall be:

i. Costs associated with Boston Gas Company’s Pension Plan

ii. Costs associated with Boston Gas Company’s Post-Retirement Plan Other Than Pension Plan

iii. Account 175.35 annual pension interest costs.

(i) Residential Exogenous Cost and Lost Margin Expenses Allowable shall be:

i. Costs identified as Residential Exogenous costs in accordance with DTE 98-128.

ii. Residential Costs associated with Colonial Gas Company’s lost margin.

iii. Account 175.34 annual residential exogenous cost and lost margin interest costs.

(j) Commercial Exogenous Cost and Lost Margin Expenses Allowable shall be:

i. Costs identified as Commercial Exogenous costs in accordance with DTE 98-128.

ii. Commercial Costs associated with Colonial Gas Company’s lost margin.

iii. Account 175.36 annual commercial exogenous cost and lost margin interest costs.

(k) Service Quality Penalties Allowable shall be:

i. Service Quality Penalities assessed in accordance with a Deaprtment-approved Service quality plan.

ii. Account 175.38 annual service quality penalty interest costs.

(l) Residential Assistance Adjustment costs Allowable shall be:

i. Costs identified as incremental lost base revenues resulting from increased enrollment on the low income discounted rates in accordance with D.T.E. 01-106-C.
ii. Incremental costs associated with the Arrearage Management Program approved in D.T.E. 05-86.
ii. Account 175.39 annual Residential Assistance interest costs.

(2) Calculation of the Reconciliation Adjustments

Account 175 contains the accumulated difference between annual costs and revenues for residential DSM (Account 175.22), annual commercial and industrial DSM (Account 175.26), annual Low Income DSM (175.31), Transition Cost (175.46), Nonfirm Transportation Capacity Credits (175.42), Unbundling Costs (Account 175.66), Pension and PBOP Costs (175.35), annual Residential Exogenous Cost and Lost Margin (175.34), annual Commercial Exogenous Cost and Lost Margin (175.36), annual Service Quality Penalties (175.38) and manufactured gas remediation (Account 175.9). Account 175.22 shall contain the accumulated difference between revenues toward residential DSM costs as calculated by multiplying the annual residential DSM factor times monthly residential throughput volumes. Account 175.26 shall contain the accumulated difference between revenues toward commercial and industrial DSM costs as calculated by multiplying the annual commercial and industrial DSM factor times monthly commercial and industrial throughput volumes each month. Account 175.31 shall contain the accumulated difference between revenues toward Low Income DSM costs as calculated by multiplying the annual Low Income DSM factor times total monthly throughput volumes. Account 175.46 shall contain the accumulated difference between revenues toward transition costs as calculated by multiplying the transition cost factor times monthly firm throughput volumes and transition costs allowed. Account 175.42 shall contain the accumulated difference between credits from nonfirm transportation capacity as calculated by multiplying the nonfirm transportation capacity credit factor times monthly firm throughput volumes and nonfirm transportation capacity credits allowed. Account 175.66 shall contain the accumulated difference between revenues toward unbundling costs as calculated by multiplying the unbundling cost factor times monthly firm throughput volumes and unbundling costs allowed. Account 175.9 shall contain the accumulated difference between revenues toward environmental response costs as calculated by multiplying the RAF times monthly firm through put volumes and environmental response costs allowable per formula. Account 175.35 shall be the cumulative difference between the revenue toward the pension and PBOP costs as calculated by multiplying the Pension and PBOP Reconciliation Adjustment Factor times monthly firm throughput volumes and the total Pension and PBOP reconciliation expense amounts booked by Boston Gas Company in the Prior Year in accordance with the requirements of SFAS 87 and SFAS 106. Account 175.34 shall contain the accumulated difference between revenues toward Residential Exogenous Cost and Lost Margins as calculated by multiplying the annual Residential Exogenous Cost/Lost Margin factor times monthly residential throughput volumes. Account 175.36 shall contain the accumulated difference between revenues toward Commercial Exogenous Cost and Lost Margins as calculated by multiplying the annual Commercial Exogenous Cost/Lost Margin factor times monthly commercial throughput volumes. Account 175.38 shall contain the accumulated difference between revenues toward Service Quality Penalties as calculated by multiplying the annual Service Quality Penalty factor times monthly throughput volumes. Account 175.39 shall contain the accumulated difference between revenues toward Residential Assistance Costs as calculated by multiplying the annual Residential Assistance Adjustment factor times monthly throughput volumes.

The annual residential DSM reconciliation adjustment (DSMRAr - as defined in Section 6.12) shall be determined for use in the annual residential LDAF calculations incorporating the annual residential DSM account (175.22) balance as of the annual reconciliation date as designated by the Company. The-annual commercial and industrial DSM reconciliation adjustment (DSMRAc - as defined in Section 6.13) shall be determined for use in the annual commercial and industrial LDAF calculations incorporating the annual commercial and industrial DSM account (175.26) balance as of the annual reconciliation date as designated by the Company. The Low Income DSM reconciliation adjustment (LIDSMRA - as defined in Section 6.13) shall be determined for use in the annual residential and commercial/industrial LDAF calculations incorporating the annual Low Income DSM account (175.31) balance as of the annual reconciliation date as designated by the Company. The transition cost reconciliation adjustment (RAtc - as defined in Section 6.13) shall be determined for use in the annual LDAF calculations incorporating the transition cost account (175.46) balance as of the annual reconciliation date as designated by the Company. The unbundling cost reconciliation adjustment (RAuc - as defined in Section 6.13) shall be determined for use in the annual LDAF calculations incorporating the unbundling cost account (175.66) balance as of the annual reconciliation date as designated by the Company. The nonfirm transportation capacity credit reconciliation adjustment (RAnft - as defined in Section 6.13) shall be determined for use in the annual LDAF calculations incorporating the nonfirm transportation capacity credit account (175.42) balance as of the annual reconciliation date as designated by the Company. A RAC reconciliation adjustment (Rrac - as defined in Section 6.13) shall be determined for use in the RAC calculations incorporating the RAC account (175.9) balance as of the annual RAC reconciliation date. The Pension and PBOB reconciliation adjustment ($PPRA_x$ - as defined in Section 6.13) shall be determined for use in the annual LDAF calculations incorporating the Pension and PBOB account (175.35) balance as of the annual reconciliation date as designated by Boston GasCompany. The Residential Exogenous Cost and Lost Margin reconciliation adjustment (ECLMRAr - as defined in Section 6.13) shall be determined for use in the annual LDAF calculations incorporating the residential exogenous costs and lost margin account (175.34) balance as of the annual reconciliation date as designated by the Company. The Commercial Exogenous Cost and Lost Margin reconciliation adjustment (ECLMRAc - as defined in Section 6.13) shall be determined for use in the annual LDAF calculations incorporating the commercial exogenous costs and lost margin account (175.36) balance as of the annual reconciliation date as designated by the Company. The Service Quality Penalty reconciliation adjustment (SQPRA - as defined in Section 6.13) shall be determined for use in the annual LDAF calculations incorporating the service quality penalty account (175.38) balance as of the annual reconciliation date as designated by the Company. The Residential Assistance reconciliation adjustment (RA - as defined in Section 6.13) shall be determined for use in the annual LDAF calculations incorporating the residential assistance account (175.39) balance as of the annual reconciliation date as designated by the Company.

(3) Calculation of the RAF

The RAF consists of one-seventh of the actual environmental response costs incurred by Boston GasCompany, Essex Gas Company and Colonial Gas Company, respectively, in any calendar year for each year until fully amortized, less a deferred tax benefit, plus one-half of insurance and third party expenses for the calendar year, less one-half of insurance and third party recoveries for the calendar year, plus the prior year's RAF reconciliation adjustment. This amount is then divided by Boston Gas Company's, Essex Gas Company's and Colonial Gas Company's respective forecast of total firm throughput volumes for the upcoming year.

The deferred tax benefit is calculated by (1) applying the combined state and federal tax rates to Boston Gas Company's, Essex Gas Company's and Colonial Gas Company's, respective, unamortized environmental response costs to arrive at the deferred tax. (2) The deferred tax is then multiplied by the tax adjusted cost of capital, calculated by dividing the weighted cost of equity by one minus the tax rate and adding it to the weighted cost of debt, to arrive at the deferred tax benefit.

6.15 Reconciliation Adjustments - Account 142 – Working Capital

(1) The following definitions pertain to reconciliation adjustment calculations:

(a) Working Capital Gas Costs Allowable Per Annual Residential DSM Formula shall be:

i. Charges associated with residential DSM programs designed to reduce annual load (DSMi).

ii. Account 142.22 interest charges.

(b) Working Capital Gas Costs Allowable Per Annual commercial and industrial DSM Formula shall be:

i. Charges associated with commercial and industrial DSM programs designed to reduce annual load (DSMi),

ii. Account 142.26 interest charges.

(c) Working Capital Gas Costs Allowable Per Annual Low Income DSM Formula shall be:

i. Charges associated with residential DSM programs designed to reduce annual load (LIDSM).

ii. Account 142.31 interest charges.

(d) Working Capital Gas Costs Allowable Per Annual Transition Cost, Nonfirm Transportation Capacity Credit, and Unbundling Cost Formula shall be:

i. Credits associated with nonfirm transportation capacity credits non included n base rates.

ii. The transition charges defined and approved by the FERC, including (1) gas supply realignment or GSR costs, (2) stranded costs, and; (3) new facilities cost.

iii. Costs associated with Massachusetts Unbundling Collaborative

iv. Account 142.42 interest charges.

(2) The annual transition cost, unbundling costs, nonfirm transportation capacity credit, residential DSM and commercial and industrial DSM working capital requirements shall be calculated by applying Boston Gas, Essex Gas, and Colonial Gas's days lag divided by 365 days to the working capital costs allowable per each formula defined above.

(3) The annual transition cost, unbundling costs, nonfirm capacity credit, residential DSM, and commercial and industrial DSM working capital allowances shall each be calculated by applying Boston Gas, Essex Gas, and Colonial Gas Company's weighted cost of capital to each working capital requirement (2) to calculate the respective returns on working capital. The interest portion of each working capital allowance is calculated by multiplying each working capital requirement (2) by Boston Gas, Essex Gas, and Colonial Gas's weighted cost of debt. This portion is tax deductible. The return on each working capital less the interest portion of each working capital is then divided by one minus the tax rate. This figure plus the interest calculated above equals the working capital allowance for each.

(4) Calculation of the Reconciliation Adjustments
Accounts 142.22, 142.26, 142.31, and 142.42 contain the accumulated difference between working capital allowance revenues and the actual monthly working capital allowance costs as calculated from actual monthly costs for Boston Gas, Essex Gas, and Colonial Gas Company. Each Account 142 shall contain the accumulated difference between revenues toward the working capital allowance and the working capital allowance.

An annual residential DSM working capital reconciliation adjustment (DSMWCRr - as defined in Section 6.12) shall be determined for use in the annual residential DSM factor calculations incorporating the annual residential DSM working capital account (142.22) balance as of the annual reconciliation date designated by the Company. An annual commercial and industrial DSM working capital reconciliation adjustment (DSMWCRc- as defined in Section 6.13) shall be determined for use in the annual commercial and industrial DSM factor calculations incorporating the annual commercial and industrial DSM working capital account (142.26) balance as of the annual reconciliation date designated by the Company. An annual Low Income DSM working capital reconciliation adjustment (LIDSMWCR - as defined in Section 6.13) shall be determined for use in the annual residential DSM factor calculations incorporating the annual Low Income DSM working capital account (142.31) balance as of the annual reconciliation date designated by the Company. A transition cost, nonfirm transportation capacity credit, and an unbundling cost working capital reconciliation adjustment (WCRTNMU - as defined in Section 6.13) shall incorporating the transition cost, nonfirm transportation capacity credit, and unbundling cost working capital account (142.42) balance as of the annual reconciliation date designated by the Company.

6.16 Application of the LDAF to Bills

The Company will employ the LDAFs as follows:

For all customers, the annual rates to customers shall be calculated by adding the appropriate factors as defined is section 6.13- the annual Sector Specific Demand Side Management Factor (DSMF), an annual Sector Specific Demand Side Management Working Capital Factor (DSMWCF), a Low Income Demand Side Management Factor (LIDSMF), a Low Income Demand Side Management Working Capital Factor (LIDSMWCF), a Transition Cost Factor (TCF), a NonFirm Transportation Capacity Credit (NFTF), a Balancing Penalty Credit Factor (BPCF), a Working Capital Factor for Tranistion Costs, Non Firm Margin Credit, and Unbundling Costs (WCFTNMU), a Remediation Adjustment Factor (RAF), an Unbunbling Cost Factor (UCF), an Exogenous Cost Factor/Lost Margin (ECLMF), a Service Quality Penalty (SQF), a Pension and Pension Benefits Other than Pensions Reconciliation Adjustment Factor (PRAF) and a Residential Assistance Adjustment Factor (RAAF).

The annual LDAFs ($/therm therm for Rate Tariffs M.D.T.E. Nos. 101-299 and $/CCF for Rate Tariffs M.D.T.E. Nos. 301-499)) for each sector shall be calculated to the nearest hundredth of a cent per unit and will be applied to each customer's monthly sales volumes.

6.17 Information Required to be Filed with the Department

Information pertaining to the local distribution factor adjustment shall be filed with the Department in accordance with the standardized forms approved by the Department. Required filings include a monthly report which shall be submitted to the Department on the twentieth of each month, and an annual LDAF filing which shall be submitted to the Department at least 45 days before the date on which a new LDAF is to be effective, and an annual RAC filing which shall be submitted to the Department at least 90 days before the date on which the new LDAF is to be effective.

Additionally, the Company shall file with the Department a complete list by (sub)account of all local distribution costs claimed as recoverable through the LDAC over the previous year, as included in the annual reconciliation. This information shall be submitted with each annual LDAF filing, along with complete documentation of the reconciliation adjustment calculations.

6.18 Other Rules

(1) The Department may where appropriate, on petition or on its own motion, grant an exception from the provisions of these regulations, upon such terms that it may determine to be in the public interest.

(2) The Company may, at any time, file with the Department an amended LDAF. An amended LDAF filing must be submitted 10 days before the first billing cycle of the month in which it is proposed to take effect.

(3) The Department may at any time require the Company to file an amended LDAF.

(4) The operation of the Local Distribution adjustment clause is subject to all powers of suspension and investigation vested in the Department by G.L. c. 164.

6.19 Customer Notification

The Company will notify customers in simple terms of changes to the LDAF, including the nature of the change and the manner in which the LDAF is applied to the bill. In the absence of a standard format, the Company will submit this notice for approval at the time of each LDAF filing. Upon approval by the Department, the Company must immediately distribute these notices to all of its customers either through direct mail or with its bills.

AMENDMENTS TO
UNIFORM SYSTEM OF ACCOUNTS FOR GAS COMPANIES

175.22 Annual Residential DSM Reconciliation Adjustment for LDAC
This account shall be used to record the cumulative difference between annual residential DSM revenues and annual residential DSM costs. Entries to this account shall be determined as outlined in the Local Distribution Adjustment Clause, 220 C.M.R. 6.10.

175.26 Annual Commercial and Industrial DSM Reconciliation Adjustment for LDAC
This account shall be used to record the cumulative difference between annual commercial and industrial DSM revenues and annual commercial and industrial DSM costs. Entries to this account shall be determined as outlined in the Local Distribution Adjustment Clause, 220 C.M.R. 6.10.

175.31 Annual Low Income DSM Reconciliation Adjustment for LDAC
This account shall be used to record the cumulative difference between annual Low Income DSM revenues and annual Low Income DSM costs. Entries to this account shall be determined as outlined in the Local Distribution Adjustment Clause, 220 C.M.R. 6.10.

175.34 Residential Exogenous Cost/Lost Margin Reconciliation Adjustment for LDAC
This account shall be used to record the cumulative difference between Residential Exogenous Cost and Lost Margin revenues and costs. Entries to this account shall be determined as outlined in the Local Distribution Adjustment Clause, 220 C.M.R. 6.10.

175.35 Pension/PBOP Cost Reconciliation Adjustment for LDAC
This account shall be used to record the cumulative difference between Pension/PBOP revenues and Pension/PBOP costs. Entries to this account shall be determined as outlined in the Local Distribution Adjustment Clause, 220 C.M.R. 6.10.

175.36 Commercial Exogenous Cost/Lost Margin Reconciliation Adjustment for LDAC
This account shall be used to record the cumulative difference between Commercial Exogenous Cost and Lost Margin revenues and costs. Entries to this account shall be determined as outlined in the Local Distribution Adjustment Clause, 220 C.M.R. 6.10.

175.38 Service Quality Penatly Reconciliation Adjustment for LDAC
This account shall be used to record the cumulative difference between Service Quality Penalty refunds and annual penalties allowable. Entries to this account shall be determined as outlined in the Local Distribution Adjustment Clause, 220 C.M.R. 6.10.

175.42 Annual Nonfirm Transportation Capacity Credit for LDAC
This account shall be used to record the cumulative difference between annual Nonfirm Transportation Capacity Credit refunds and annual Nonfirm Transportation Capacity Credits allowable. Entries to this account shall be determined as outlined in the Local Distribution Adjustment Clause, 220 C.M.R. 6.10.

175.46 Transition Cost Reconciliation Adjustment for LDAF
This account shall be used to record the cumulative difference between FERC 636 transition cost revenues and FERC 636 transition costs. Entries to this account shall be determined as outlined in the Local Distribution Adjustment Clause, 220 C.M.R. 6.10.

175.66 Unbundling Cost Reconciliation Adjustment for LDAF
This account shall be used to record the cumulative difference between Unbundling revenues and Unbundling costs. Entries to this account shall be determined as outlined in the Local Distribution Adjustment Clause, 220 C.M.R. 6.10.

175.9 Environmental Response Reconciliation Adjustment for LDAC
This account shall be used to record the cumulative difference between RAC revenues and RAC costs. Entries to this account shall be determined as outlined in the Local Distribution Adjustment Clause, 220 C.M.R. 6.10.

175.39 Residential Assistance Adjustment for LDAF
This account shall be used to record the cumulative difference between Residential Assistance revenues and Residential Assistance costs. Entries to this account shall be determined as outlined in the Local Distribution Adjustment Clause, 220 C.M.R. 6.10.

142.22 Annual Residential DSM Working Capital Allowance Reconciliation Adjustment for LDAC.

This account shall be used to record the cumulative difference between annual residential DSM working capital allowance revenues and annual residential DSM working capital allowance. Entries to this account shall be determined as outlined in the Local Distribution Adjustment Clause, 220 C.M.R. 6.11.

142.26 Annual Commercial and Industrial DSM Working Capital Allowance Reconciliation Adjustment for LDAC

This account shall be used to record the cumulative difference between annual commercial and industrial DSM working capital allowance revenues and annual commercial and industrial DSM working capital allowance. Entries to this account shall be determined as outlined in the Local Distribution Adjustment Clause, 220 C.M.R. 6.11.

142.31 Annual Low Income DSM Working Capital Allowance Reconciliation Adjustment for LDAC

This account shall be used to record the cumulative difference between annual Low Income DSM working capital allowance revenues and annual Low Income DSM working capital allowance. Entries to this account shall be determined as outlined in the Local Distribution Adjustment Clause, 220 C.M.R. 6.11.

142.42 Annual Nonfirm Transportation Capacity Credit, Transition Cost, and Unbundling Cost Reconciliation Adjustment for LDAC

This account shall be used to record the cumulative difference between annual Nonfirm transportation capacity credit, transition costs, and unbundling costs working capital allowance refunds and annual Nonfirm Transportation Capacity Credit, transition costs, and unbundling costs working capital allowance. Entries to this account shall be determined as outlined in the Local Distribution Adjustment Clause, 220 C.M.R. 6.11.